VZCZCXRO7901 RR RUEHDBU DE RUEHDBU #0419/01 0630647 ZNY CCCCC ZZH R 040647Z MAR 06 FM AMEMBASSY DUSHANBE TO RUEHC/SECSTATE WASHDC 6866 INFO RUEHRL/AMEMBASSY BERLIN 1453 RUEHLO/AMEMBASSY LONDON 1419 RUCNCIS/CIS COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 1464 RUEHAK/AMEMBASSY ANKARA 1423 RUEHNE/AMEMBASSY NEW DELHI 1378 RUEHBUL/AMEMBASSY KABUL 1350 RUEHIL/AMEMBASSY ISLAMABAD 1404 RUEAIIA/CIA WASHINGTON DC RHEFDIA/DIA WASHINGTON DC RHMFISS/JOINT STAFF WASHINGTON DC RHEHNSC/NSC WASHINGTON DC RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL RUEPGDA/USEUCOM JIC VAIHINGEN GE RUCNDT/USMISSION USUN NEW YORK 1004 RUEHBS/USEU BRUSSELS 0797 RUEHKO/AMEMBASSY TOKYO 1223 RUEHDBU/AMEMBASSY DUSHANBE 7985

C O N F I D E N T I A L SECTION 01 OF 02 DUSHANBE 000419

SIPDIS

SIPDIS

STATE FOR SCA/CEN

E.O. 12958: DECL: 2/14/2016

TAGS: <u>PGOV PREL SNAR ECON EINV EAID ENRG TI CH</u>
SUBJECT: CHINESE AMBASSADOR TO TAJIKISTAN: "WHY NOT COOPERATE IN

CENTRAL ASIA?"

B) DUSHANBE 301 C) DUSHANBE 326 REF: A) DUSHANBE 63

CLASSIFIED BY: Richard Hoagland, Ambassador, US Embassy Dushanbe, State. REASON: 1.4 (b)

(C) SUMMARY: Chinese Ambassador to Tajikistan Li Huilai said China shared many of the United States priorities in Tajikistan, including economic growth, counter-terrorism and border stability. In a very frank and open 90-minute meeting with Ambassador Hoagland, Li suggested there was room for Chinese-U.S. security and economic cooperation in Tajikistan. END SUMMARY.

INFRASTRUCTURE AND HYDROPOWER

- (C) China plans to invest in roads, hydropower stations (HPS), and modernizing the telecommunication sector in Tajikistan. The China Development Bank had offered the other countries of the Shanghai Cooperation Organization (SCO) a total of \$900 million at low interest rates, and Tajikistan intended to apply for some of that assistance. However, they have not yet finalized negotiations on any particular projects. Li noted with some frustration that, unlike the Uzbeks, who negotiated very quickly, the Tajiks were "more nuanced" and invoked the Tajik Civil War and their need for stability during negotiations. However, a delegation from the Chinese Development Bank would arrive in Dushanbe soon and he was confident they would reach an agreement.
- 13. (C) Li acknowledge the Chinese were interested in Shurob HPS or Rogun, but said no feasibility studies had been conducted for any hydropower projects, including the Varzob cascade. (COMMENT: This contradicts comments the Deputy Energy Minister Silantiev and the Chinese Trade Attachi made to PolOff (Reftels A and B). END COMMENT.) He noted that Chinese investment in Shurob would depend on the plans for Rogun-if the dam built at Rogun was too high, it would not make a HPS at Shorub worth the investment.

¶4. (C) China would consider working with American companies on its infrastructure projects, according to Li. (COMMENT: This also contradicts the Chinese Trade Attachi's comments to PolOff that only Chinese firms would be eligible to participate in Chinese investment projects (Reftel B). END COMMENT.) Li indicated an international consortium could be useful. "Where are we going to export that power?" he asked, if the international community was not in agreement. He specifically said U.S. companies would be welcome to build transmission lines. Li agreed that Dost-I-Zhum hydropower station would only be viable if the Tajik government proved successful with Sangtuda I and II, and Rogun (reftel C).

"WHY NOT COOPERATE IN CENTRAL ASIA?"

15. (C) Agreeing with the Ambassador, that the large powers needed to coordinate their message and efforts in Tajikistan, Li noted China's enormous trade surplus over the past five years meant real benefits for the Chinese and other countries China helped. He listened with interest as the Ambassador explained areas where U.S. consultants have highlighted investment opportunities in Tajikistan, such as mining, energy, agriculture, transport and telecom.

BORDER ISSUES

16. (C) Li observed the Chinese border was the quietest portion of the Tajik border last year, with no incidents. Within two years, he estimated that the demarcation process would be complete and the border region would remain peaceful and stable. The border post at Kalma was currently only open from May to October, although the Tajiks had repeatedly asked China to keep the border crossing open year-round. Li noted that to do that,

DUSHANBE 00000419 002 OF 002

they would need better infrastructure and housing built at a lower elevation for border guards and customs workers.

- 17. (C) The Tajik-Afghan border concerned China, particularly after the departure of the Russian Border Guards. Narcotics made their way to China either through Burma or from Afghanistan through Central Asia; they had noticed a rise in traffic along the latter "northern" route recently. Li remarked that in a meeting with General Zuhurov of the Tajik Border Guards, Li had noted the lack of professionalism and training of the current leadership of the Border Guards. China has donated vehicles and uniforms to equip Tajik border forces.
- 18. (C) The Shanghai Cooperation Organization was considering establishing a counternarcotics center in Central Asia, and planned to invite Afghanistan to participate. "Without Afghanistan there would be no point," he noted.

COUNTERTERRORISM: ROOM FOR MORE COOPERATION

19. (C) Li expressed China's concern over the terrorist group, the Eastern Turkistan Organization, and noted that his Embassy receives monthly threat reports. He highlighted the death of a Chinese diplomat and the death of 12 businessmen last year in Kyrgyzstan as evidence that China also faces terrorism on regular basis. Li characterized his embassy's relationship with Tajikistan's Ministry of Security (MoS) as "at the beginning stages, "needing better cooperation. "There is very little information sharing. We don't know if it's because they don't have information, or will not share." Li attributed the situation to a lack of experience in the MoS. "Tajikistan is a young republic," he said. The Ministry of Security is not very professional, he opined, staffed with "family and friends" of the powerful.

SHANGHAI COOPERATION ORGANIZATION

10. (C) Li noted the coming year would bring China and Tajikistan closer. President Rahmonov planned to visit Beijing. The SCO would convene a meeting in Dushanbe as well. Li

parried the Ambassador's suggestion that the SCO could help motivate Uzbekistan to open its borders to its neighbors by proposing that Uzbekistan's recent accession to the Eurasia Economic community would provide better leverage.

- 111. (C) Li summed up China's policy for Tajikistan as reform, development, and stability. In closing, he mentioned an article he had read, stating the CIA anticipated two more color revolutions in former Soviet Republics. "I hate to be immodest," he smiled, "But will one be in Tajikistan? Belarus? Uzbekistan?" The Ambassador put in context for Li DNI Negroponte's recent testimony to Congress. Tongue-in-cheek, he told Li that Tajikistan is not on the "color revolution" schedule for this year.
- 112. (C) COMMENT: Li's openness to share information comes in marked contrast to the meeting with the Trade Attachi, who was extremely reticent about Chinese investment and priorities in Tajikistan. Quite possibly, Li feels freer to speak openly and has the authority to reveal policy and priorities that others on his team do not. Li's openness to collaboration of U.S. and Chinese companies in building Tajikistan's hydropower infrastructure, if accurate, is encouraging. END COMMENT. HOAGLAND